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SUDBURY CONTACT MINES, LIMITED

ANNUAL REPORT 1981

SUDBURY CONTACT MINES, LIMITED

Executive and Head Office	Suite 300, 365 Bay Street Toronto, Ontario, Canada M5H 2V1
Directors	E. L. BAXTER PHIL DRUTZ MILTON KLYMAN JOHN MURRAY PAUL PENNA ERNEST SHERIFF
Officers	PAUL PENNA, *President* BARRY LANDEN, *Secretary-Treasurer* DOREEN CROITORU, *Assistant Secretary*
Consulting Geologist	W. A. HUBACHECK, B.Sc., P.Eng.
Transfer Agent and Registrar	Guaranty Trust Company of Canada Toronto, Ontario
Auditors	Starkman, Kraft, Rothman, Berger & Grill Chartered Accountants Toronto, Ontario
Solicitors	Shibley, Righton & McCutcheon Toronto, Ontario
Shares Listed	Toronto Stock Exchange Toronto, Ontario
Annual Meeting	June 25, 1982, 11:00 a.m. (Toronto Time) Library Room, Main Mezzanine Royal York Hotel 100 Front Street West Toronto, Canada

Directors' Report to Shareholders

The Directors are pleased to present the 1981 Annual Report of the Corporation which includes the audited financial statements for the year ended December 31, 1981 and the unaudited financial statements for the 1982 first quarterly period ended March 31.

The following is a general review of the principal mineral resource property interests held by the Corporation along with a summary of the significant exploration activities during the period.

The main expenditure during the year was the $867,909 contribution to the Serem Joint Venture project in the Toodoggone area, Chappelle, British Columbia. Cumulative expenditures to the 1981 year end now total $1,186,204. Although no follow-up work was done on the Larder Lake, Ontario, properties during the year, consulting and other related costs amounted to $54,414.

Working capital deficiency at the 1981 year end of $305,461 was in large part because of the contribution to the Serem Joint Venture. Working capital at the previous year end was $641,048.

As previously reported, the funding of any further contributions to the Serem Joint Venture will necessitate some form of new financing or other loan arrangements.

Serem Joint Venture

Your Corporation and Agnico-Eagle Mines Limited jointly share a 50% participating interest in the Serem Joint Venture with Serem Limited which is the manager/operator of the project holding the remaining 50% interest.

The properties comprising the Serem Joint Venture are designated as the 'Lawyers Property' (80% interest with Kennco owning the remaining 20% interest) and the 'Toodoggone Project' (100% interest), located in the Toodoggone area, Chappelle, British Columbia.

The 'Lawyers Property' covers a total of 15 claims consisting of 153 units (7,500 acres) and the 'Toodoggone Project' 55 claims consisting of 799 units (39,000 acres).

The 'Lawyers Property', originally held under a working option from Kennco Explorations Limited (subsidiary of Kennecott Copper Corp.) which initiated exploration on the claims in 1970-71, is now held as to an 80% as a result of the completion of the required exploration by the Serem Joint Venture.

The major emphasis of work to date has been concentrated on the Amethyst Gold Breccia Zone (AGB Zone) at the 'Lawyers Property' where extensive surface diamond drilling has defined a widespread area of gold-silver mineralization over a length in excess of 2,000 feet, a width of 250 feet and to tested depths exceeding 200 feet from surface.

The Extensive 1981 Program

During the 1981 season, most of the work was again concentrated on the AGB Zone. This work consisted of 22 diamond drill holes totalling 15,233 feet which was followed up by an underground program totalling 2,230 feet of drifting and crosscutting. Results of the diamond drilling are tabled as follows:

Serem Joint Venture — 1981 Surface Drilling

Tabulation of Drill Results — Hole Nos. 81-22 to 81-43

Hole No.	Interval — Feet From	To	Core Length Feet	Silver Ozs/Ton	Gold Ozs/Ton	Section Tier
81-22	426.5	469.2	42.7	5.4	0.083	150N-2nd
81-23	649.6	656.2	6.6	12.1	0.175	150N-3rd
81-24	275.6	285.4	9.8	6.1	0.043	120N-2nd
81-25	147.6	154.2	6.6	4.1	0.045	90N-3rd
and	492.1	501.9	9.8	5.0	0.123	90N
81-26	584.0	577.4	6.6	2.8	0.155	30N-3rd
81-27	429.8	469.2	39.4	2.8	0.086	30S-3rd
81-28	377.3	383.9	6.6	0.7	0.105	90S-3rd
81-29A	341.2	347.8	6.6	0.2	0.150	150S-3rd
and	406.8	413.4	6.6	0.5	0.090	150S
81-30A	351.0	357.6	6.6	4.8	0.010	18N-1st
81-31	459.3	472.4	13.1	13.8	0.518	18N-2nd
81-32	587.3	597.1	9.8	2.1	0.04	18N-3rd
and	626.6	633.2	6.6	2.4	0.02	18N
81-33	no intersections					
81-34	272.3	295.3	23.0	1.5	0.020	210N-1st
and	459.3	472.4	13.1	2.0	0.018	
81-35	574.1	577.4	3.3	27.0	0.450	210N-2nd
81-36	419.9	439.6	19.7	3.1	0.040	240N-1st
and	469.2	479.0	9.8	4.0	0.093	

Hole No.	Interval — Feet From	To	Core Length Feet	Silver Ozs/Ton	Gold Ozs/Ton	Section	Tier
81-37	272.3	282.1	9.8	2.2	0.083	240N	-2nd
81-38			no intersections			240N	-3rd
81-39			no intersections				1st
81-40	305.6	311.7	6.6	2.3	0.070	270	-2nd
81-41	695.5	702.1	6.6	2.06	0.016	270	-3rd
and	725.1	728.4	3.3	2.15	0.011		
81-42	777.5	784.1	6.6	24.49	0.107	210	-3rd
81-43	436.4	452.8	16.4	2.99	0.091	00N	-3rd
and	515.1	534.8	19.7	30.98	3.680		

Based on these results, the decision was made to proceed with the proposed underground program. An adit crosscut was excavated at the 5,740 ft. elevation through the mineralized zone from which a footwall drift was advanced to provide drill stations for definition drilling. In addition, four crosscuts were completed across the zone from the most northerly crosscut. Panel sampling gave the following results:

Place	South Wall			North Wall		
	Silver Oz/Ton	Gold Oz/Ton	Width Feet	Silver Oz/Ton	Gold Oz/Ton	Width Feet
0+15S Crosscut	6.40	0.244	42.7	7.45	0.390	62
	0.95	0.108	6.6	—	—	—
0+30N Crosscut	5.08	0.019	9.8	3.96	0.051	13
	0.96	0.174	6.6	2.33	0.155	6.6
	0.88	0.070	6.6	—	—	—
0+75N Crosscut	Low Values			8.09	0.264	6.6
1+20N Crosscut	4.26	0.100	6.6	6.79	0.129	6.6
	24.58	0.385	6.6	—	—	—

1+65N Crosscut: 10.8 ozs. silver and 0.149 oz. gold across 13.1 ft.

Muck samples from 88.6 feet of drifting averaged 26.8 ozs. silver and 0.342 oz. gold per ton.

New camp facilities capable of housing 30 was constructed in the valley. A road was constructed between the camp site and Dupont's Baker Mine, a distance of 7.6 miles.

At the 'Toodoggone Project' property, work during 1981 included follow-up soil sampling, prospecting, geological mapping and trenching. Some additional ground follow-up is warranted on some of the claim groups but others, where results were negative, will be allowed to lapse.

Expenditures for the joint venture program in 1981 totalled $3.5 million of which Agnico-Eagle contributed $867,909 and a similar amount was paid by your Corporation. The 1981 Serem J. V. program was originally budgeted at $2.5 million with the probability of greater expenditure for 1982 than involved in last year's work.

In view of the working capital deficiency and the prevailing depressed financial conditions, your Corporation is obliged to decline the right of contribution for the 1982 program. If Serem Limited proceeds with further work this year, the interest of your Corporation may be diluted in proportion to the amount expended by Serem, but in any event cannot be diluted below a carried 20% interest.

Alternatively, if Serem does not initiate the previously planned work program for the current year, your Corporation's right of participation is in no way affected in subsequent periods.

Kirkland-Larder Lake Gold Properties

The tempo of exploration activity in the Kirkland-Larder Lake area that surged to a near-record level in late 1980 and continued into the early months of 1981, which saw more than 5,400 claims staked last year, has been somewhat diminished by economic conditions and generally depressed gold prices.

Several major corporations however, are continuing in their respective programs, notably Canico, the exploration arm of Inco, Denison, Labrador Mining and Exploration and Kennco. The widely anticipated upturn in gold prices, during the second half of 1982 and into 1983, will obviously impact on such veteran gold mining camps as the Kirkland-Larder Lake.

Although no exploratory work was carried out on your Corporation's properties during the past year, eight of the 51 claims, originally held under working option, were brought to leases in 1981.

On behalf of the Board of Directors,

Paul Penna

May 19, 1982 President

BALANCE SHEET

AS AT DECEMBER 31, 1981

ASSETS

CURRENT ASSETS

- Cash
- Term deposits
- Accrued interest receivable
- Prepaid expenses and deposits

INVESTMENTS — shares of other mining companies (Note 2)

JOINT VENTURE — Lawyers Project (Note 3)

FIXED ASSETS, at cost

- Equipment
- Office furniture

  Less: Accumulated depreciation

  Larder Lake buildings and equipment

MINING CLAIMS AND PROPERTIES, at cost (Note 4)

DEFERRED EXPLORATION EXPENDITURES

LIABILITIES

CURRENT LIABILITIES

- Accounts payable and accrued charges
- Loan payable (Note 5)

SHAREHOLDERS' EQUITY

CAPITAL

AUTHORIZED

9,000,000 Shares without par value

ISSUED

7,586,250 Shares

DEFICIT

See accompanying notes to financial statements.

1981	1980
$ 1,591	$ 885
10,000	680,000
100	4,247
1,000	1,000
12,691	686,132
25,059	25,059
1,186,204	318,295
1,211,263	343,354
21,268	21,268
1,753	1,753
23,021	23,021
18,086	18,086
4,935	4,935
44,916	44,916
49,851	49,851
20,300	20,300
781,700	726,767
$ 2,075,805	$ 1,826,404
$ 213,152	$ 45,084
105,000	—
318,152	45,084
3,693,500	3,693,500
(1,935,847)	(1,912,180)
1,757,653	1,781,320
$ 2,075,805	$ 1,826,404

AUDITORS' REPORT TO THE SHAREHOLDERS OF SUDBURY CONTACT MINES, LIMITED

We have examined the balance sheet of Sudbury Contact Mines, Limited as at December 31, 1981 and the statements of loss and deficit, deferred exploration expenditures and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

STARKMAN, KRAFT, ROTHMAN, BERGER & GRILL
Chartered Accountants

Toronto, Ontario
February 15, 1982

Approved on behalf of the Board:

Paul Penna

PAUL PENNA, Director.

John R. Murray

JOHN MURRAY, Director.

SUDBURY CONTACT MINES, LIMITED

STATEMENT OF LOSS AND DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 1981

	1981	1980
INCOME		
Interest income	$ 76,156	$ 69,534
Dividend income	—	778
	76,156	70,312
EXPENSES		
Administration and office services	12,000	12,000
Legal and audit	11,213	18,110
Bank charges and interest	4,120	2,097
Shareholders' information	19,641	12,771
Miscellaneous	6,652	8,922
Transfer agent fees	14,282	14,806
Directors' fees	2,000	1,300
Licences, taxes and fees	862	234
Consulting	29,053	24,740
	99,823	94,980
NET LOSS FOR THE YEAR	(23,667)	(24,668)
DEFICIT, beginning of year	(1,912,180)	(1,887,512)
DEFICIT, end of year	$ (1,935,847)	$ (1,912,180)

See accompanying notes to financial statements.

SUDBURY CONTACT MINES, LIMITED

STATEMENT OF DEFERRED EXPLORATION EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1981

	1981	1980
EXPENDITURES DURING YEAR		
Larder Lake Mining Division, Ontario		
Consulting fees	$ 54,282	$ 49,700
Licences, fees and taxes	132	—
Diamond drilling	—	78,797
General field expenses	—	1,590
Mine office	—	137
	54,414	130,224
Other Properties		
Licences, fees and taxes	519	448
EXPLORATION EXPENDITURES FOR THE YEAR	54,933	130,672
DEFERRED EXPLORATION EXPENDITURES — beginning of year	726,767	596,095
DEFERRED EXPLORATION EXPENDITURES — end of year	$ 781,700	$ 726,767

SUMMARY OF DEFERRED EXPLORATION EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1981

	1981	1980
Larder Lake Mining Division, Ontario	$ 610,856	$ 556,441
Montgomery Township, Ontario	169,932	169,484
Thunder Bay Area, Ontario	912	842
	$ 781,700	$ 726,767

See accompanying notes to financial statements.

SUDBURY CONTACT MINES, LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 1981

	1981	1980
SOURCE OF FUNDS		
Issuance of capital stock	$ —	$ 1,120,000
APPLICATION OF FUNDS		
Net loss for the year	23,667	24,668
Investment in Lawyers Project	867,909	318,295
Exploration expenditures	54,933	130,672
Reclassification of investment in shares	—	15,457
	946,509	489,092
INCREASE (DECREASE) IN WORKING CAPITAL	(946,509)	630,908
WORKING CAPITAL, beginning of year	641,048	10,140
WORKING CAPITAL (DEFICIENCY), end of year	$ (305,461)	$ 641,048

See accompanying notes to financial statements.

SUDBURY CONTACT MINES, LIMITED

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1981

1. ACCOUNTING POLICY

The Company follows the policy of deferring exploration expenditures until such time as the properties commence production. Properties determined to be without value are written-off to deficit with related deferred exploration thereon. The amounts shown for deferred exploration expenditures represent costs to date less amounts written-off and are not intended to reflect present or future values.

2. INVESTMENT IN SHARES OF OTHER MINING COMPANIES

These investments are recorded at cost and represent long-term investments in which the Company holds small percentage equity positions.

3. INVESTMENTS IN JOINT VENTURE

The Company owns a 25% interest in a joint venture to perform a program of prospecting, exploration, development and other mining work in or on the Lawyers Property, British Columbia. All expenses are to be shared according to the respective interests in the joint venture. At December 31, 1981 the Company had advanced $1,186,204 to finance expenditures.

4. MINING CLAIMS AND PROPERTIES

The Company owns a working option on 51 claims in the Larder Lake Mining Division, Ontario, of which 8 were transferred into leases during the year. If production is reached, the claims will be transferred to the Company subject to a 15% royalty payable to the optionor.

5. LOAN PAYABLE

The loan is payable on demand and accrues interest at a rate of prime + ½% (18% at December 31, 1981).

6. OTHER STATUTORY INFORMATION

Remuneration of directors and senior officers for the year ended December 31, 1981 amounted to $2,000 (1980 — $1,300).

7. LOSSES-CARRY-FORWARD

At December 31, 1981, the Company had $90,316 of income tax losses available to reduce future taxable income. The income tax loss-carry-forwards expire as follows:

1983	$41,653
1985	25,146
1986	23,517
	$90,316

8. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the presentation adopted for 1981.

SUDBURY CONTACT MINES, LIMITED

INTERIM STATEMENT OF DEFERRED EXPLORATION EXPENDITURES

(Unaudited)

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 1982

	1982	1981
EXPENDITURES DURING YEAR		
Larder Lake Mining Division, Ontario		
Consulting fees	$ —	$ 31,947
Other Properties		
Licences, fees and taxes	43	446
EXPLORATION EXPENDITURES FOR THE PERIOD	43	32,393
DEFERRED EXPLORATION EXPENDITURES — beginning of period	781,700	726,767
DEFERRED EXPLORATION EXPENDITURES — end of period	$ 781,743	$ 759,160

SUMMARY OF DEFERRED EXPLORATION EXPENDITURES

AS AT MARCH 31, 1982

	1982	1981
Larder Lake Mining Division, Ontario	$ 610,856	$ 588,388
Montgomery Township, Ontario	169,968	169,860
Thunder Bay Area, Ontario	919	912
	$ 781,743	$ 759,160

SUDBURY CONTACT MINES, LIMITED

INTERIM STATEMENT OF LOSS

(Unaudited)

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 1982

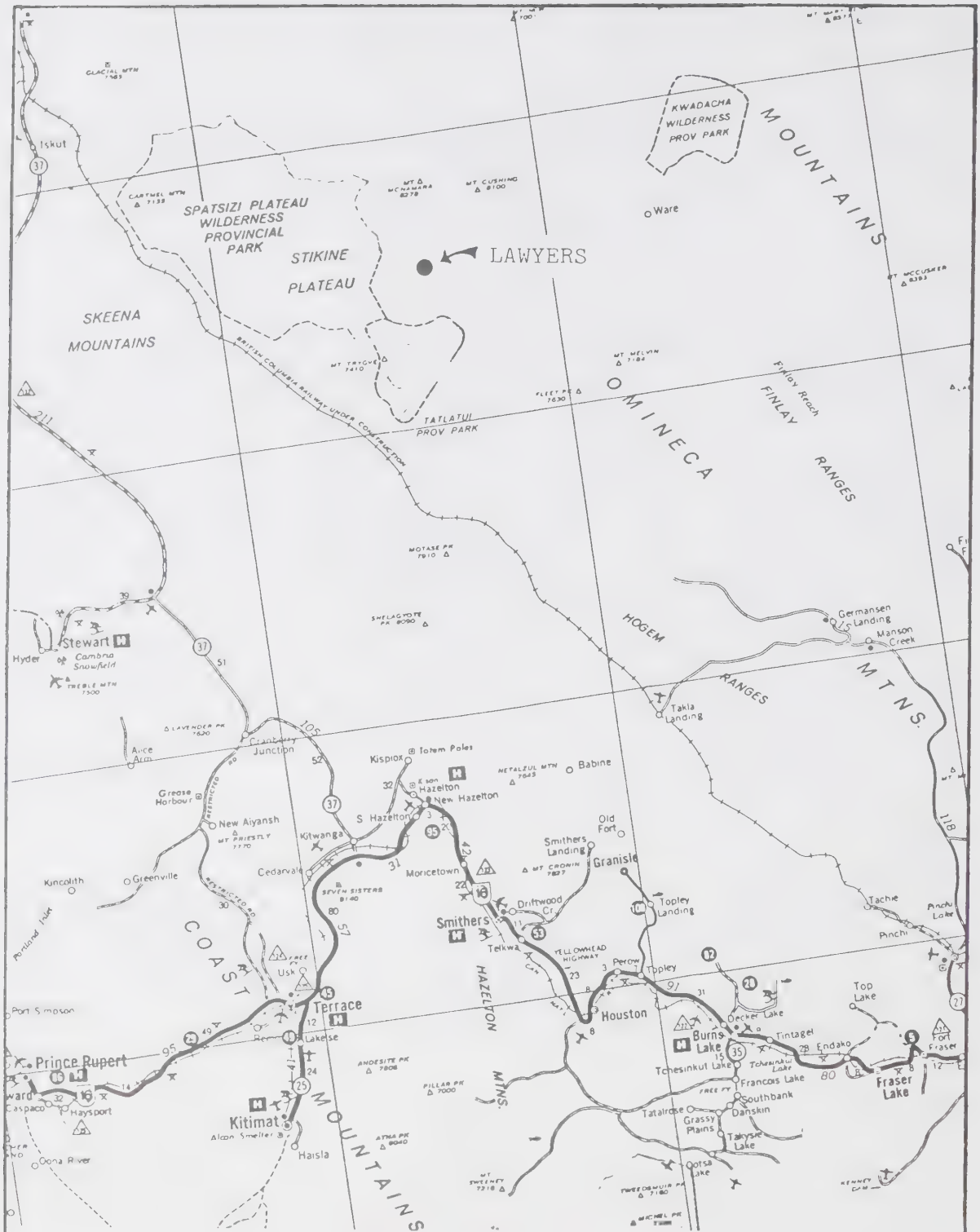
	1982	1981
EXPENSES		
Administration and office services	$ 3,350	$ 5,117
Legal and audit	4,127	5,220
Bank charges and interest	12,170	89
Miscellaneous	7,992	7,169
Transfer agent fees	3,798	3,674
Licences, taxes and fees	3,129	4,017
	34,566	25,286
Less: Interest income	19	26,950
	34,547	(1,664)
NET INCOME (LOSS) FOR THE PERIOD	$ (34,547)	$ 1,664
NET INCOME (LOSS) PER SHARE	(.4¢)	—

INTERIM STATEMENT OF CHANGES IN FINANCIAL POSITION

(Unaudited)

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 1982

	1982	1981
SOURCE OF FUNDS		
Net income for the period	$ —	$ 1,664
APPLICATION OF FUNDS		
Net loss for the period	34,547	—
Investment in Lawyers Project	21,680	21,655
Exploration expenditures	43	32,393
	56,270	54,048
DECREASE IN WORKING CAPITAL	(56,270)	(52,384)
WORKING CAPITAL (DEFICIENCY), beginning of period	(305,461)	656,505
WORKING CAPITAL (DEFICIENCY), end of period	$ (361,731)	$ 604,121



SEREM JOINT VENTURE

LOCATION MAP
LAWYERS PROJECT

SCALE 1:2,000,000

Printed in Canada

SUDBURY CONTACT MINES, LIMITED

1981/2 INTERIM REPORT

FOR THE PERIOD ENDED JUNE 30, 1981

SUDBURY CONTACT MINES, LIMITED

Executive and Head Office
Suite 300, 365 Bay Street
Toronto, Canada M5H 2V1

To the Shareholders:

The Directors present the financial statements of the Corporation for the six months ended June 30, 1981, which also include comparative figures for the corresponding period in 1980.

Financial

Working capital at June 30, 1981 of $443,195 reflects expenditures totalling $42,083 in connection with the Kirkland-Larder Lake gold properties and advances totalling $166,727 in the ongoing exploration program at the Serem Joint Venture properties in British Columbia. Working capital at year end 1980 was $656,505.

Work on the Kirkland-Larder Lake properties was principally confined to geological studies and a review of prior work. The main point of interest is in conjunction with the Serem Joint Venture in which your Corporation has a 25% participating interest. The following is a summary of recent and current exploration at these properties:

Serem Joint Venture

Serem Ltd., a wholly owned Canadian subsidiary of Serem S. A. of France, is the operator/manager holding a 50% interest in the project with Agnico-Eagle and Sudbury Contact each holding a 25% interest.

The properties of the Serem Joint Venture include the 'Lawyers' group consisting of 153 units (7,500 acres) and the 'Toodoggone Project' comprising 814 units (40,000 acres), located about 300 kilometres north of Smithers, British Columbia. These properties border to the west of the holdings of DuPont of Canada Exploration Limited which recently brought its high grade gold/silver Baker Mine into production.

The 'Lawyers Property' is the subject of an agreement between Kennco Explorations (Western) Limited and the partners of the Serem Joint Venture — Serem has now earned its maximum 80% interest in the 'Lawyers' as a result of exploration expenditures totalling in excess of $1 million in the 1979-1980 period together with the 1981 scheduled program. The 'Toodoggone Project' properties are wholly owned by Serem Joint Venture.

SUDBURY CONTACT MINES, LIMITED

Interim Statement of Deferred Exploration Expenditures (Prepared Without Audit)

For the Six Month Period Ended June 30, 1981

	1981	1980
EXPENDITURES DURING YEAR		
Larder Lake Mining Division, Ontario		
Diamond drilling	$ —	$ 78,797
Consulting fees	41,637	17,165
General field expenses	—	1,119
	41,637	97,081
Other Properties		
Licences, fees and taxes	446	444
EXPLORATION EXPENDITURES FOR THE PERIOD	42,083	97,525
DEFERRED EXPLORATION EXPENDITURES, beginning of period	726,767	596,095
DEFERRED EXPLORATION EXPENDITURES, end of period	$ 768,850	$ 693,620

Summary of Deferred Exploration Expenditures (Prepared Without Audit)

As at June 30, 1981

	1981	1980
Larder Lake Mining Division, Ontario	$ 598,078	$ 523,298
Montgomery Township, Ontario	169,860	169,482
Thunder Bay Area, Ontario	912	840
	$ 768,850	$ 693,620

The 1981 exploration program at the Serem Joint Venture properties was budgeted at $2.2 million for the ongoing investigation of the Lawyers group, with the major emphasis on the 'Amethyst Gold Breccia Zone' ('AGB Zone') with an additional $300,000 allocated for the 'Toodoggone Project' properties.

During the 1980 field season, diamond drilling totalling 9,500 feet in 18 holes, was completed on the AGB Zone, testing two tiers or horizons approximately 100 and 200 feet from surface. This drilling, and earlier work, indicated widespread gold/silver mineralization over a north-south distance of some 2,000 feet.

Follow-up exploration in the 1981 program commenced in May and by the end of June the first phase of the program was well advanced. Eight diamond drill holes, of which five are 'third tier' holes exploring below the 1980 drilling, have been completed for a total of 1,760 metres or about 5,800 feet. Preliminary assay results indicate the gold and silver values continue to depth.

Based on these indications, the decision was made to proceed with the second phase of the 1981 program consisting of driving an adit into the mountain to provide a drill base for definition drilling. A contract for this adit covering an approximate 1,000 feet of drifting, is now in the process of finalization with work scheduled to commence in September.

Bulldozer stripping of the AGB Zone has exposed the high grade mineralized zone intersected in Holes 80-13 and 14 (with intersections varying from 16.4 ft. of 5.63 ozs. silver and 0.092 oz. of gold to a high 49.74 ozs. silver and 3.8 ozs. gold across 19.7 ft. for some 250 feet to the north.) Subsequent drilling at sites 100 feet apart, consisting of three holes at each location testing three tiers of depth, has extended the zone 300 feet north of previous drilling.

In addition, a new zone of high grade float material has been located approximately one mile south of the AGB Zone. This mineralization is similar to that of the main zone. Randomly selected grab samples at approximate 50 metre (160 ft.) intervals along the picket line of this new discovery, gave assays ranging from 2.7 ozs. silver and 0.48 oz. of gold to a high of 77.0 ozs. silver and 1.9 ozs. gold per ton.

These samples were taken at seven sites at an overall length of some 900 metres (nearly 3,000 feet) including a 600 metre gap about central where overburden conditions precluded examination and sampling. Past experience has indicated no appreciable migration of float material to underlying 'in situ' mineralization.

Currently, road construction is underway and only a short section remains to be completed to connect with the DuPont road which connects the Serem properties to the airstrip in the valley. Present expectations are that the original $2.5

million budget for this year's work at the Serem Joint Venture properties will be exceeded.

Exploration is also in progress with two crews at the 'Toodoggone Project' properties, consisting of soil sampling and detailed prospecting on the anomalous zones located in the 1980 field season.

On behalf of the Board of Directors,

Paul Penna

President

August 28, 1981

SUDBURY CONTACT MINES, LIMITED

Interim Statement of Loss
(Prepared Without Audit)

For the Six Month Period Ended June 30, 1981

	1981	1980
INCOME		
Interest income	$ 51,655	$ 26,281
Dividend income	—	777
	51,655	27,058
EXPENSES		
Administration and office services	6,000	6,000
Bank charges and interest	689	1,709
Certificate costs	2,415	2,330
Consulting fees	13,858	7,851
Directors' fees	2,000	1,300
Legal and accounting	7,570	9,561
Licences, taxes and fees	2,135	1,870
Miscellaneous	2,167	309
Shareholders' information	10,987	8,181
Transfer agent fees	8,334	6,312
	56,155	45,423
NET LOSS FOR THE PERIOD	$(4,500)	$ (18,365)

SUDBURY CONTACT MINES, LIMITED

Interim Statement of Changes in Financial Position (Prepared Without Audit)

For the Six Month Period Ended June 30, 1981

	1981	1980
SOURCE OF FUNDS		
Issuance of treasury shares	$ —	$1,120,000
APPLICATION OF FUNDS		
Net loss for the period	4,500	18,365
Investment in Lawyers Project	166,727	112,385
Exploration expenditures	42,083	97,525
	213,310	228,275
INCREASE (DECREASE) IN WORKING CAPITAL	(213,310)	891,725
WORKING CAPITAL, beginning of period	656,505	10,140
WORKING CAPITAL, end of period	$ 443,195	$ 901,865

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